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QUESTION OF THE REALIZATION IN ALL COUNTRIES OF THE ECONOMIC, SOCIAL AND CULTURAL RIGHTS CONTAINED IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND IN THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS, AND STUDY OF SPECIAL PROBLEMS WHICH THE DEVELOPING COUNTRIES FACE IN THEIR EFFORTS TO ACHIEVE THESE HUMAN RIGHTS, INCLUDING PROBLEMS RELATED TO THE RIGHT TO ENJOY AN ADEQUATE STANDARD OF LIVING; FOREIGN DEBT, ECONOMIC ADJUSTMENT POLICIES AND THEIR EFFECTS ON THE FULL ENJOYMENT OF HUMAN RIGHTS AND, IN PARTICULAR, ON THE IMPLEMENTATION OF THE RIGHT TO DEVELOPMENT

Report of the Secretary-General submitted pursuant to Commission on Human Rights resolution 1994/11

Addendum

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Introduction

1. In its resolution 1994/11, the Commission on Human Rights, aware that the serious problem of foreign debt remains one of the most acute factors adversely affecting economic and social development and the living standards of the inhabitants in many developing countries, with serious affects of a social nature, concerned about the repercussions of structural adjustment programmes in the realization of economic, social and cultural rights and noting with regret the negative effects of the policies adopted to face situations of external debt on the enjoyment of economic, social and cultural rights, requested the Secretary-General to submit, in a process of high-level consultations with heads of State or Government, heads of the multilateral financial institutions and specialized agencies, as well as intergovernmental and non-governmental organizations, a report to the Commission on Human Rights at its fifty-first session on the adequate measures to be implemented in order to find a durable solution to the debt crisis of developing countries so that they may fully enjoy all human rights.

2. In order to prepare for the high-level consultations requested in paragraph 6 of resolution 1994/11, the High Commissioner for Human Rights, on behalf of the Secretary-General, addressed a letter on 24 October 1994 to Ministers for Foreign Affairs and a letter on 1 December 1994 to heads of the multilateral financial institutions and specialized agencies, as well as intergovernmental and non-governmental organizations inviting their comments and proposals on adequate measures to be implemented in order to find a durable solution to the debt crisis of developing countries so that they may fully enjoy all human rights.

3. The present report is based on additional information received from the Governments of Madagascar and Morocco by 23 January 1995. In its reply, the Government of Morocco informed the Secretary-General that several ministries are in the process of elaborating comments and proposals on the subject matter and that these will be transmitted as soon as they become available. The comments and proposals submitted by the Government of Madagascar are reproduced below. The present report complements the report which was prepared on the basis of information received by 23 December 1994 (E/CN.4/1995/25 and Add.1).

MADAGASCAR

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4. In its unanimously adopted resolution 41/202 of 8 December 1986 concerning strengthened international economic cooperation aimed at resolving external debt problems of developing countries, the General Assembly emphasized the importance of effective national adjustment processes and structural changes, pursued within national development priorities and objectives. Such processes and measures should be growth-oriented, and due regard should be paid to the economic, social and development needs of each country in the application of conditionality.

5. The debt problem is not only a financial and economic problem: it also has serious implications for the future of mankind. The human costs of the current crisis, which is accompanied by other major problems in the international economy, are considerable, as demonstrated by the sharp reduction in education opportunities and health care, malnutrition and "negative" economic growth in entire countries.

6. The realization of the right to development, particularly in the developing countries, is thus virtually impossible. The negative effects of such a situation on the labour productivity of the population limit the development possibilities of the countries concerned. In this context, the right to development becomes an important reference framework. The Government of Madagascar therefore thinks that the Secretary-General's report on measures to be implemented in order to find a durable solution to the debt crisis of developing countries so that they may fully enjoy all human rights should be included in the report on the application of the right to development.

7. In 1993, the World Conference on Human Rights reaffirmed the right to development, as established in the Declaration on the Right to Development, as a universal and inalienable right and an integral part of fundamental human rights.

8. In the Declaration on the Right to Development (resolution 41/128), the General Assembly declared that efforts at the international level to promote and protect human rights should be accompanied by efforts to establish a new international economic order. That new order should be based on sovereign equality, interdependence, mutual interest and cooperation among all States and should seek to encourage the observance and realization of human rights. It is therefore important, in this context, for developed and developing countries to work together. The strengthening of the international economic process should be beneficial to developed and developing countries alike.

9. Protection of the environment and achievement of sustainable development imply concerted international cooperation in various fields, including transferring environmental technology and making new resources available.

10. International economic cooperation in regard to debt rescheduling has already been confirmed by the Commission on Human Rights (resolution 1994/11) and by the World Conference on Human Rights.

11. The lending policies of the international financial institutions would be more effective in helping the developing countries to resolve the debt crisis if they took account of the following proposals:

(a) The reduction and selective cancellation of the developing countries' multilateral, bilateral and commercial debt;

(b) The debt relief measures from which the least developed countries have benefited in recent years, particularly the cancellation of bilateral ODA (official development assistance) debt, the reschedulings granted by the Paris Club and the World Bank's special assistance programme, have proved inadequate. Additional and more vigorous measures are required in order substantially to reduce debt incurment and servicing;

(c) The particular structure of the least developed countries' indebtedness (predominance of long-term public financing in overall debt incurment and servicing) should provide substantial additional relief through the adoption of expanded measures by public creditors. In the case of bilateral debt, steady flows of new financial resources for development must be assured in the form of donations and semi-donations;

(d) The external debt of the developing countries, debt servicing, interest payments, economic adjustment programmes and the conditions imposed on debtor countries by the international financial institutions should not have effects contrary to local development needs. Concerning economic adjustment, these institutions should recognize a longer-term adjustment requirement, contrary to the policy currently applied;

(e) Emphasis should be placed on the need to incorporate considerations regarding the right to development in the lending policies of the international financial institutions, and special importance should be attached to the transfer of technology to the developing countries;

(f) Mechanisms should be established, inter alia, to provide the least developed countries with additional resources on concessional terms and help them to keep up with their obligations and pay off their arrears;

(g) International credit markets should continue to furnish an assured supply of long-term development capital, particularly for the developing countries that have not benefited from foreign investment flows and private capital flows;

(h) The developing countries need a reform involving stable economic programmes and structures granting them access to international markets and to financial resources;

(i) These countries should demonstrate their commitment by adopting new approaches, particularly in the area of legislation, in order to encourage investments;

(j) Other initiatives already announced to resolve the debt crisis should be reviewed, namely the establishment of a debt conversion fund, debt repurchasing, debt compensation and the sale of 10 per cent of gold reserves.